

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Mountain States Drivetrain

Montana Manufacturing Extension Center

Investment in Growth Planning Speeds Up Thrust, Adds Jobs at Mountain States Drivetrain

Client Profile:

Mountain States Drivetrain (MSD), located in Whitehall, Montana, re-manufactures manual transmissions. The family-owned business employs 4 people.

Situation:

MSD's owners were concerned that production might stop if they were to take time away from day-to-day operations to focus on business expansion. That concern was alleviated by a collaboration with the Jefferson Local Development Corporation's (JLDC) Business Expansion Assistance Program (BEAP). JLDC used a unique cost share model to provide needed expertise to MSD to expedite data gathering and construction planning for a major plant expansion. This allowed the company to mesh time for growth needs with operations. The growth team included members of JLDC staff, MSU Extension Service, the Montana Manufacturing Extension Center (MMEC), a NIST MEP network affiliate, and the Small Business Development Center (SBDC).

Solution:

The growth team met over a seven-month period, providing expertise and experience to augment the company's vision of growth at a steady and controlled pace. MSD provided feedback on all team planning and recommendations. Jefferson BEAP has been ground-breaking in its unique combining of community development and economic development through its cash match and team approach. From team inputs, SBDC staff helped prepare a sound financial package that included information a bank needs when making loan decisions and accompanied the CEO to submit it for financing the move and expansion efforts. Financing was approved for equipment, additional manufacturing assistance from MMEC and a new 7,000 sq. ft. building with 2,000 sq. ft. mezzanine. The steel building is approximately five times larger than the previous shop. Two MMEC field engineers and young engineers from the center's University Technical Assistance Program assisted in a variety of ways during planning and after the facility was built. Included were construction cost estimates and a ratio analysis comparing MSD to similar companies' financial performance which helped with decision making. Follow-on manufacturing assistance also included Value Stream Mapping, efficient layout and equipment search. An inventory analysis was also done to provide recommendations on ideal inventory level for key parts, cores and finished transmissions. MMEC helped with employee growth planning and training.

Results:

- * Invested \$375,000 in plant and equipment.
- * Increased productivity.

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* Created 7 new jobs.

Testimonial:

"I knew where I wanted to go but not what steps would get me there. The team's work was definitely a big help to keep me concentrating on business. It would have taken me four times as long to get all the information needed. I am very pleased with things I have gotten done through MMEC; it's a very worthwhile tool."

Richard Schoenfelder, President & CEO